

State Personal Income

Third Quarter of 2007

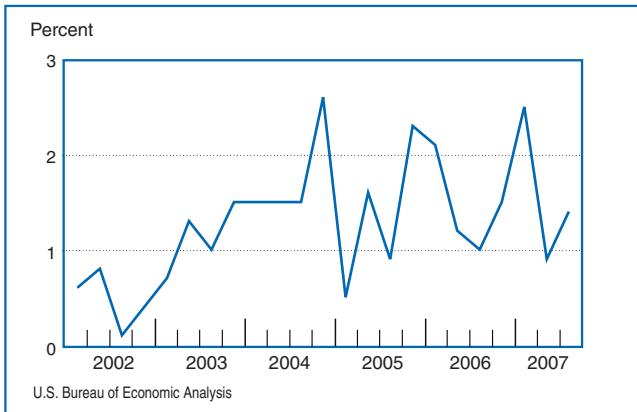
By David G. Lenze

PERSONAL income growth in the nation accelerated to 1.4 percent in the third quarter of 2007 from 0.9 percent in the second quarter, according to the most recent estimates from the Bureau of Economic Analysis (BEA). The third-quarter current-dollar growth rate was close to the average personal income growth over the last 2 years (1.6 percent), following strong growth in the first quarter and weaker growth in the second quarter (chart 1). The swings in growth in the first three quarters of 2007 reflected first-quarter bonuses paid in the finance industry.

State personal income growth rates in the third quarter ranged from 0.8 percent in Minnesota to 3.6 percent in Washington State. Growth accelerated or held steady in all but 11 states. Growth in BEA's eight regions ranged from 1.2 percent in the Great Lakes and Plains regions to 1.7 percent in the Southwest region.

Personal income is the income of all persons from all sources: it is the income received by U.S. residents from participation in production both domestically and abroad (earnings, net dividends, interest, and rent, and current transfer receipts from the business sector) plus certain transfer-like receipts (government social benefits net of contributions, net interest received from government, and personal interest payments).

Chart 1. Quarterly Growth Rates in U.S. Personal Income



Earnings by industry

Earnings grew 1.1 percent nationally in the third quarter, compared with 0.5 percent growth in the second quarter. Typically, earnings accounts for slightly more than three-fourths of personal income. The industries with the fastest third-quarter earnings growth were farming, mining, and management.¹ Nationally, how-

1. The management industry is an industrial category introduced in the North American Industrial Classification System. For data that are collected from individual offices, factories, and stores rather than from entire companies (such as the wage data used to estimate personal income), it is necessary to separately classify those offices that perform central administrative tasks. For example, the Boeing world headquarters in Chicago is classified in the management industry, but its factories in Seattle are classified in the aerospace manufacturing industry.

County Estimates of Compensation

by Industry

The Bureau of Economic Analysis (BEA) has released county estimates of compensation by industry for 2004–2006. The estimates for 2006 are new; the estimates for 2004–2005 have been revised to incorporate newly available source data. The release of these estimates on December 21, 2007, was accelerated by nearly 2 weeks from previous annual releases of compensation by county.

Compensation—the sum of wage and salary disbursements and supplements to wages and salaries—is a key statistic in the personal income account. The estimates of compensation by industry cover 114 industries in 3,111 counties. In addition to the county estimates, BEA released compensation by industry for metropolitan areas, metropolitan divisions, micropolitan areas, combined statistical areas, and BEA economic areas. “Table CA06. Compensation of Employees by Industry” for all areas for 1998–2006 can be accessed interactively at <www.bea.gov/bea/regional/reis>.

Statistics on personal income for local areas are scheduled to be released on April 24, 2008.

ever, these industries are small, each accounting for only 1 or 2 percent of personal income.

Taking size and growth into account, the health care and professional services industries contributed the most to national third-quarter personal income growth (table A). These industries have been among

the largest contributors to growth over the last year and a half. The state and local government sector was also a major contributor to third-quarter growth. Together, these three industries accounted for 24 percent of national personal income and contributed almost 40 percent to personal income growth. In addition, they

Table A. Contributions to Percent Change in Personal Income by Place of Work by State and Region, 2007:II–2007:III¹—Continues
[Percentage points, seasonally adjusted]

	Total earnings ²	Farm	Forestry, fishing, related activities, and other ³	Mining	Utilities	Construction	Manufacturing		Wholesale trade	Retail trade	Transportation and warehousing	Information	Finance and insurance
							Durable goods	Nondurable goods					
United States.....	0.87	0.04	0.00	0.03	0.01	-0.03	0.03	0.01	0.07	0.05	0.06	0.07	0.02
New England													
Connecticut.....	0.46	0.01	0.00	0.00	0.01	-0.05	0.03	0.00	0.06	0.04	-0.12	0.02	-0.05
Maine.....	0.67	0.04	-0.01	0.00	0.01	-0.09	0.00	0.01	0.04	0.06	0.06	0.01	0.00
Massachusetts.....	0.86	0.00	0.00	0.00	0.01	-0.04	0.03	0.00	0.07	0.04	0.05	0.03	0.05
New Hampshire.....	0.85	0.00	0.00	0.00	0.01	-0.04	0.08	0.01	0.08	0.07	0.04	0.01	0.02
Rhode Island.....	0.70	0.00	0.00	0.00	0.01	-0.02	0.02	0.00	0.05	0.04	0.04	0.02	0.00
Vermont.....	0.71	0.10	0.00	0.01	-0.08	-0.06	0.04	0.01	0.05	0.06	0.05	0.01	0.00
Mideast													
Delaware.....	0.55	0.11	0.00	0.00	0.01	-0.02	-0.38	0.01	0.06	0.05	0.06	0.01	-0.02
District of Columbia.....	2.11	0.00	-0.03	0.00	0.01	0.01	0.00	0.00	0.02	0.02	0.01	0.20	0.02
Maryland.....	0.52	0.01	0.00	0.00	0.02	-0.02	0.01	-0.18	0.05	0.05	0.05	0.02	-0.02
New Jersey.....	0.78	0.00	0.00	0.00	0.01	-0.02	0.01	0.02	0.08	0.05	0.08	0.03	0.02
New York.....	0.92	0.01	0.00	0.01	0.01	0.01	0.00	0.00	0.02	0.05	0.05	0.03	0.22
Pennsylvania.....	0.81	0.02	0.00	0.02	0.01	-0.03	0.03	0.00	0.07	0.04	0.09	0.02	-0.01
Great Lakes													
Illinois.....	0.76	0.01	0.00	0.02	0.01	-0.03	0.03	0.01	0.09	0.04	0.10	0.02	0.00
Indiana.....	0.83	0.06	0.00	0.02	0.01	-0.04	0.08	0.02	0.07	0.04	0.10	0.01	0.00
Michigan.....	0.51	0.04	0.00	0.01	0.01	-0.07	0.07	0.00	0.04	0.02	0.06	0.01	0.00
Ohio.....	0.79	0.02	0.00	0.01	0.01	-0.04	0.04	0.01	0.06	0.04	0.09	0.01	0.00
Wisconsin.....	0.94	0.07	0.00	0.00	0.01	-0.03	0.07	0.06	0.07	0.04	0.10	0.02	0.01
Plains													
Iowa.....	1.01	0.42	0.00	0.01	0.02	0.00	0.05	0.04	0.06	0.02	-0.03	0.01	0.03
Kansas.....	0.80	0.12	0.00	0.05	0.01	-0.03	0.05	0.03	0.06	0.06	0.08	-0.19	0.01
Minnesota.....	0.28	0.15	0.00	0.01	0.01	-0.05	0.00	0.00	0.08	0.03	-0.18	0.02	-0.01
Missouri.....	0.73	0.09	0.00	0.01	0.01	-0.04	0.03	0.01	0.07	0.05	0.09	0.02	0.00
Nebraska.....	1.01	0.36	0.00	0.01	-0.07	-0.02	0.01	0.02	0.07	0.04	0.12	0.02	-0.01
North Dakota.....	1.19	0.16	0.00	0.05	0.03	0.03	0.04	-0.01	0.07	0.07	0.13	0.02	0.06
South Dakota.....	1.03	0.38	0.00	0.01	0.01	0.00	0.05	0.01	0.07	0.08	0.07	0.04	-0.02
Southeast													
Alabama.....	0.83	0.10	0.00	0.02	0.02	-0.02	0.05	0.00	0.07	0.06	0.07	0.01	-0.01
Arkansas.....	0.95	0.22	-0.01	0.03	0.01	-0.03	-0.01	0.01	0.06	0.04	0.12	0.03	0.00
Florida.....	0.60	-0.01	0.00	0.00	0.01	-0.05	0.01	0.00	0.08	0.05	0.07	0.01	0.00
Georgia.....	0.75	0.04	0.00	0.01	0.02	-0.02	-0.01	0.00	0.10	0.06	-0.02	0.04	0.01
Kentucky.....	0.87	0.08	0.00	0.06	0.01	-0.02	0.01	0.01	0.06	0.03	0.15	0.01	-0.01
Louisiana.....	1.35	0.03	0.00	0.11	0.01	0.19	0.04	0.02	0.08	0.06	0.14	0.01	0.00
Mississippi.....	1.16	0.16	-0.01	0.04	0.01	0.04	0.04	0.02	0.04	0.04	0.09	0.01	0.00
North Carolina.....	0.74	0.07	0.00	0.01	0.01	-0.02	0.03	0.00	0.07	0.05	0.07	0.02	0.01
South Carolina.....	0.78	0.03	0.00	0.00	0.02	-0.02	0.02	0.01	0.06	0.05	0.06	0.01	0.01
Tennessee.....	0.85	0.02	0.00	0.01	0.00	-0.05	0.04	0.01	0.08	0.06	0.15	0.02	0.03
Virginia.....	0.99	0.02	0.00	0.01	0.01	-0.01	0.03	0.00	0.05	0.05	0.05	0.04	0.03
West Virginia.....	0.68	0.02	0.00	0.15	0.01	0.07	0.01	0.01	0.02	0.05	0.06	0.00	-0.01
Southwest													
Arizona.....	0.79	0.02	0.00	0.03	0.01	-0.13	0.01	0.00	0.10	0.10	0.08	0.01	-0.05
New Mexico.....	1.11	0.10	0.00	0.08	0.01	0.01	0.06	0.02	0.03	0.09	0.08	0.01	0.01
Oklahoma.....	1.21	0.11	0.00	0.26	0.02	-0.03	0.02	0.06	0.08	0.07	0.09	0.01	0.01
Texas.....	1.20	0.02	0.00	0.22	0.03	0.01	0.03	0.03	0.14	0.04	0.08	0.04	0.02
Rocky Mountain													
Colorado.....	0.94	0.06	0.00	0.11	0.01	-0.05	-0.05	0.00	0.06	0.08	0.08	0.05	0.02
Idaho.....	1.00	0.25	-0.01	0.02	0.01	-0.02	0.00	0.01	0.06	0.08	0.07	0.01	0.03
Montana.....	0.80	0.11	-0.01	0.07	0.02	-0.01	0.03	0.01	0.05	0.07	0.08	0.01	-0.01
Utah.....	0.64	0.02	0.00	-0.04	0.01	0.01	0.01	0.10	0.00	0.10	0.14	-0.38	0.03
Wyoming.....	1.18	0.09	0.00	0.32	0.02	0.14	0.00	0.02	0.05	0.07	0.11	0.01	0.00
Far West													
Alaska.....	0.83	0.00	0.00	0.34	0.00	-0.13	0.01	0.02	0.03	0.04	0.11	0.01	0.04
California.....	0.65	0.02	-0.01	0.01	0.02	-0.09	0.03	0.00	0.07	0.05	0.07	0.03	-0.01
Hawaii.....	0.99	0.01	0.00	0.00	0.01	-0.05	0.02	0.00	0.04	0.00	0.12	0.04	-0.02
Nevada.....	0.67	0.01	0.00	0.02	0.01	-0.13	0.02	0.01	0.03	0.04	0.09	0.01	0.04
Oregon.....	0.75	0.01	-0.01	0.01	0.01	-0.02	0.05	-0.01	0.06	0.04	0.09	0.04	0.00
Washington.....	3.44	0.01	-0.01	0.01	0.00	0.09	0.12	0.01	0.08	0.07	0.10	2.23	0.05
BEA regions													
New England.....	0.72	0.01	0.00	0.00	0.01	-0.05	0.03	0.00	0.06	0.04	0.00	0.02	0.01
Mideast.....	0.83	0.01	0.00	0.01	0.01	-0.01	0.00	-0.02	0.04	0.05	0.06	0.03	0.09
Great Lakes.....	0.74	0.03	0.00	0.01	0.01	-0.04	0.05	0.02	0.07	0.04	0.09	0.01	0.00
Plains.....	0.70	0.19	0.00	0.02	0.01	-0.03	0.03	0.01	0.07	0.04	0.00	-0.01	0.00
Southeast.....	0.81	0.04	0.00	0.02	0.01	-0.02	0.02	0.00	0.07	0.05	0.07	0.02	0.01
Southwest.....	1.13	0.03	0.00	0.18	0.03	-0.02	0.03	0.03	0.12	0.06	0.08	0.03	0.01
Rocky Mountain.....	0.88	0.08	0.00	0.08	0.01	-0.02	-0.01	0.00	0.07	0.09	-0.02	0.03	0.03
Far West.....	1.02	0.02	-0.01	0.01	0.01	-0.07	0.05	0.00	0.07	0.05	0.08	0.30	0.00

See the footnotes at the end of the table.

were major contributors to growth in most states.

Construction and real estate. Declines in the construction and real estate industries reduced national third-quarter personal income growth about 0.1 percentage point and softened growth in related industries, such as finance. Some of the largest effects were

felt in states such as Arizona, California, Florida, and Nevada, where mortgage foreclosures of investor-owned properties were especially serious problems.

Nationally, construction earnings—adjusted for inflation, as measured by the national price index for personal consumption expenditures—peaked in the

Table A. Contributions to Percent Change in Personal Income by Place of Work by State and Region, 2007:II–2007:III¹—Table Ends
[Percentage points, seasonally adjusted]

	Real estate and rental and leasing	Professional and technical services	Management of companies and enterprises	Administrative and waste services	Educational services	Health care and social assistance	Arts, enter- tainment, and recreation	Accommo- dation and food services	Other services, except public administration	Government		
										Federal, civilian	Military	State and local
United States	-0.05	0.15	0.07	0.01	0.02	0.14	-0.01	0.03	0.02	0.01	0.02	0.10
New England												
Connecticut	-0.05	0.14	0.11	0.00	0.04	0.16	-0.01	0.02	0.01	0.00	-0.01	0.11
Maine	-0.04	0.05	0.05	0.00	0.02	0.22	0.00	0.02	0.02	0.05	0.04	0.11
Massachusetts	-0.04	0.22	0.10	0.01	0.05	0.18	0.00	0.03	0.01	-0.01	0.01	0.08
New Hampshire	-0.05	0.13	0.11	-0.01	0.02	0.18	0.00	0.02	0.01	0.01	0.01	0.12
Rhode Island	-0.03	0.11	0.11	0.01	0.05	0.20	-0.01	0.04	0.02	0.00	-0.02	0.06
Vermont	-0.03	0.10	0.01	0.00	0.04	0.19	0.00	0.04	0.01	0.03	0.04	0.10
Mideast												
Delaware	-0.03	0.18	0.13	0.00	0.01	0.17	-0.01	0.03	0.02	0.00	0.05	0.09
District of Columbia	-0.03	0.69	0.05	0.09	0.05	0.26	-0.03	0.06	0.09	0.41	0.06	0.16
Maryland	-0.03	0.17	0.04	0.01	0.02	0.14	-0.01	0.02	0.02	0.10	-0.01	0.06
New Jersey	-0.04	0.16	0.11	0.01	0.02	0.12	0.00	0.02	0.01	0.02	0.01	0.08
New York	-0.05	0.22	0.05	0.00	0.01	0.15	-0.01	0.03	0.01	0.01	0.01	0.08
Pennsylvania	-0.04	0.14	0.11	0.01	0.04	0.19	-0.01	0.02	0.01	-0.01	0.01	0.07
Great Lakes												
Illinois	-0.05	0.16	0.11	0.01	0.02	0.13	-0.01	0.03	0.01	0.00	-0.02	0.07
Indiana	-0.03	0.07	0.05	0.02	0.01	0.15	0.00	0.03	0.02	0.01	0.01	0.13
Michigan	-0.08	0.13	0.08	0.01	0.01	0.14	-0.01	0.02	0.01	0.01	0.00	0.00
Ohio	-0.03	0.10	0.12	0.01	0.01	0.16	-0.01	0.02	0.01	0.02	0.00	0.11
Wisconsin	-0.03	0.09	0.08	0.02	0.02	0.17	0.00	0.02	0.02	0.02	0.05	0.06
Plains												
Iowa	-0.02	0.07	-0.01	0.01	0.02	0.15	0.00	0.00	0.01	0.01	0.05	0.09
Kansas	-0.03	0.11	0.06	0.01	0.01	0.13	0.00	0.03	0.02	-0.05	0.13	0.16
Minnesota	-0.04	0.10	-0.19	0.00	0.02	0.18	0.00	0.03	0.01	0.02	0.02	0.08
Missouri	-0.03	0.12	-0.04	0.01	0.02	0.15	-0.01	0.03	0.02	-0.02	0.04	0.09
Nebraska	-0.02	0.09	0.05	0.02	0.01	0.16	-0.01	0.02	0.01	0.03	-0.01	0.11
North Dakota	-0.02	0.11	0.07	-0.01	0.00	0.27	0.00	0.02	0.01	0.00	0.03	0.09
South Dakota	-0.07	0.04	-0.06	0.00	0.03	0.19	0.00	0.00	0.02	0.02	0.05	0.11
Southeast												
Alabama	-0.03	0.12	0.04	0.00	0.01	0.13	0.00	0.03	0.02	0.03	0.01	0.13
Arkansas	-0.03	0.02	0.12	0.00	0.01	0.15	0.00	0.03	0.01	0.01	0.04	0.11
Florida	-0.04	0.12	0.06	-0.01	0.01	0.13	0.00	0.05	0.02	0.00	0.00	0.09
Georgia	-0.04	0.16	0.08	0.00	0.02	0.14	0.00	0.04	0.01	-0.03	0.02	0.13
Kentucky	-0.02	0.08	0.06	0.00	0.01	0.15	-0.01	0.02	0.01	-0.02	0.05	0.13
Louisiana	-0.01	0.10	0.06	0.04	0.01	0.17	0.00	0.06	0.04	0.00	0.05	0.14
Mississippi	-0.02	0.09	0.05	0.02	0.01	0.11	0.00	0.04	0.02	0.06	0.09	0.22
North Carolina	-0.04	0.11	0.10	0.01	0.02	0.14	-0.01	0.03	0.02	0.01	0.01	0.03
South Carolina	-0.04	0.09	0.03	0.01	0.01	0.12	0.00	0.04	0.01	0.03	0.10	0.13
Tennessee	-0.05	0.10	0.05	0.01	0.02	0.19	0.00	0.04	0.02	0.02	0.01	0.09
Virginia	-0.04	0.26	0.14	-0.01	0.01	0.11	0.00	0.03	0.01	0.03	0.04	0.13
West Virginia	-0.02	0.09	0.03	-0.02	0.00	0.17	0.00	0.03	0.02	0.02	0.03	-0.05
Southwest												
Arizona	-0.08	0.16	0.06	0.03	0.02	0.15	0.00	0.05	0.01	0.02	0.01	0.17
New Mexico	-0.03	0.15	0.03	0.02	0.01	0.17	0.00	0.05	0.02	0.02	-0.04	0.23
Oklahoma	-0.02	0.11	0.04	-0.02	0.00	0.08	0.01	0.03	0.01	0.04	0.01	0.22
Texas	-0.05	0.21	0.05	0.03	0.01	0.11	-0.01	0.04	0.02	0.01	0.03	0.09
Rocky Mountain												
Colorado	-0.08	0.22	0.09	0.02	0.02	0.14	-0.02	0.03	0.01	0.00	0.05	0.09
Idaho	-0.04	0.15	0.07	0.02	0.01	0.13	0.00	0.03	0.01	-0.02	0.02	0.11
Montana	-0.08	0.08	0.01	0.00	0.01	0.17	0.00	0.03	0.02	0.01	0.00	0.14
Utah	-0.03	0.11	0.11	0.02	0.03	0.14	0.00	0.04	0.03	0.02	0.02	0.12
Wyoming	-0.06	-0.04	0.02	0.02	0.00	0.09	0.00	0.03	0.03	0.02	0.02	0.22
Far West												
Alaska	-0.05	0.11	0.02	0.00	0.00	0.07	-0.01	0.00	0.02	0.02	-0.06	0.24
California	-0.07	0.14	0.06	0.00	0.02	0.13	-0.01	0.03	0.02	0.01	0.01	0.11
Hawaii	-0.05	0.06	0.07	-0.01	0.01	0.15	-0.01	0.06	0.03	0.04	0.23	0.24
Nevada	-0.05	0.07	0.12	-0.01	0.01	0.10	0.00	0.13	0.02	0.02	0.01	0.08
Oregon	-0.02	0.06	0.10	-0.01	0.02	0.14	0.00	0.03	0.02	-0.01	0.02	0.17
Washington	-0.03	0.14	0.06	0.04	0.01	0.13	-0.02	0.03	0.01	0.03	0.11	0.17
BEA regions												
New England	-0.04	0.16	0.09	0.00	0.04	0.18	0.00	0.02	0.01	0.00	0.01	0.09
Mideast	-0.04	0.19	0.08	0.01	0.02	0.15	-0.01	0.03	0.01	0.02	0.01	0.07
Great Lakes	-0.05	0.12	0.10	0.01	0.01	0.15	-0.01	0.02	0.01	0.01	0.00	0.07
Plains	-0.03	0.10	-0.06	0.01	0.02	0.16	0.00	0.02	0.01	0.00	0.04	0.10
Southeast	-0.04	0.13	0.07	0.00	0.01	0.14	0.00	0.04	0.02	0.01	0.02	0.11
Southwest	-0.05	0.19	0.05	0.03	0.01	0.12	0.00	0.04	0.02	0.01	0.02	0.12
Rocky Mountain	-0.06	0.16	0.08	0.02	0.02	0.14	-0.01	0.03	0.02	0.00	0.03	0.11
Far West	-0.06	0.13	0.06	0.00	0.02	0.13	-0.01	0.03	0.02	0.01	0.03	0.13

1. An industry's contribution to percent change in personal income equals the dollar change in that industry's earnings divided by personal income in the previous quarter times 100.

2. Earnings by place of work is the sum of wage and salary disbursements (payrolls), supplements to wages

and salaries, and proprietors' income.

3. "Other" consists of the wage and salary disbursements to U.S. residents employed by international organizations and foreign embassies and consulates in the U.S.

first quarter of 2006. Since then, Arizona, Florida, and California have accounted for more than half of the \$18 billion national decline. These states, together with Michigan and Illinois in the Great Lakes region, accounted for almost three-fourths of this decline in construction earnings.

Meanwhile, in Louisiana, which had the third highest growth rate, construction earnings contributed more to personal income growth than any other industry. Construction in Louisiana and Mississippi has been bolstered by the recent distribution of several billion dollars of Road Home grants from the U.S. Department of Housing and Urban Development to persons whose homes were destroyed or damaged by Hurricane Katrina. Construction also contributed to growth in Washington, New York, and Texas, although the magnitude of the contribution was small in the latter two states.

Farming. The value of livestock and crop production continued at record levels in the third quarter, boosted by a depreciated dollar, which stimulated foreign demand, and by high grain prices from the recent surge in demand for corn used in biofuel production. As a result, farm income was strong in the third quarter—up 8.3 percent nationally. It was even stronger in major corn-producing states. The farm sector contributed 0.4 percentage point to the 1.4 percent growth in Iowa and 0.4 percentage point to the 1.5 percent personal income growth in Nebraska. The contributions to growth in these two states were far more than the contributions of any other industry.

Mining. Although mining is small nationally, it is substantial in several states. In Wyoming, for example, the industry accounted for 19 percent of all wages and salaries in 2007's third quarter. A mining expansion, which began more than 5 years ago, has yet to show signs of slowing. Mining was the biggest contributor to third-quarter personal income growth in Alaska (0.34 percentage point of 1.3 percent growth), Oklahoma (0.26 percentage point of 1.8 percent growth), Texas (0.22 percentage point of 1.7 percent growth), and Wyoming (0.32 percentage point of 1.7 percent growth).

Washington and stock grants

Washington's high 3.6 percent growth rate was largely the result of stock grants in the information industry, which boosted that industry's earnings 45 percent. Evidence has been accumulating over the last several years that these grants are a fairly predictable seasonal matter, and BEA is planning to adopt new seasonal adjustments for that industry for the next quarterly state

personal income release. Under a new compensation policy adopted in 2003, Microsoft has been granting large amounts of stock to employees in the third quarter of the year. Previously, Microsoft made such grants in the second quarter of the year.

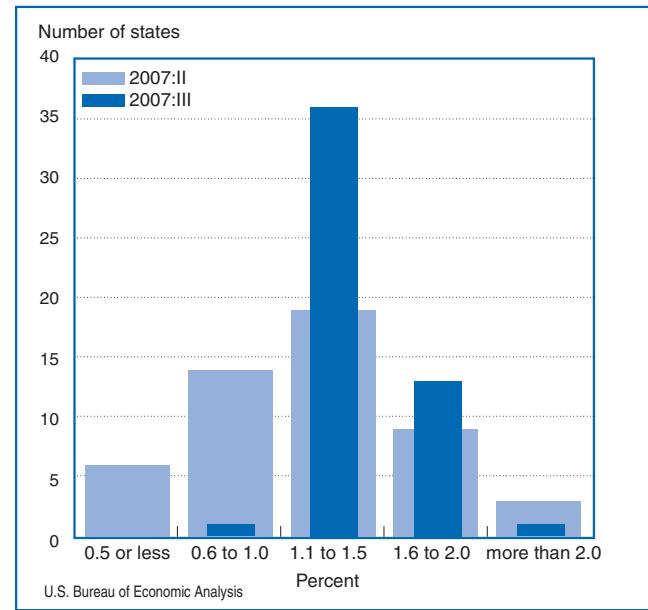
The information industry's strong earnings growth rate in Washington, combined with the industry's large size in the state, is reflected in the industry's 2.2-percentage-point contribution to the state's third-quarter personal income growth rate. In contrast, the information industry contributed a mere 0.1 percentage point to national personal income growth in the third quarter.

Dispersion of regional growth rates

Although third-quarter state personal income growth rates ranged from 0.8 percent to 3.6 percent, there was actually substantial uniformity in growth among most states (chart 2). Only one state's growth rate exceeded 2.0 percent (Washington), and only one state's growth rate was less than 1.0 percent (Minnesota). In general, estimates of wage growth across states for the most recent quarter—based on employment data—are more uniform than the revised growth rates based on wage data collected by the Bureau of Labor Statistics. The result is more uniform preliminary estimates of state personal income growth rates for the most recent quarter.

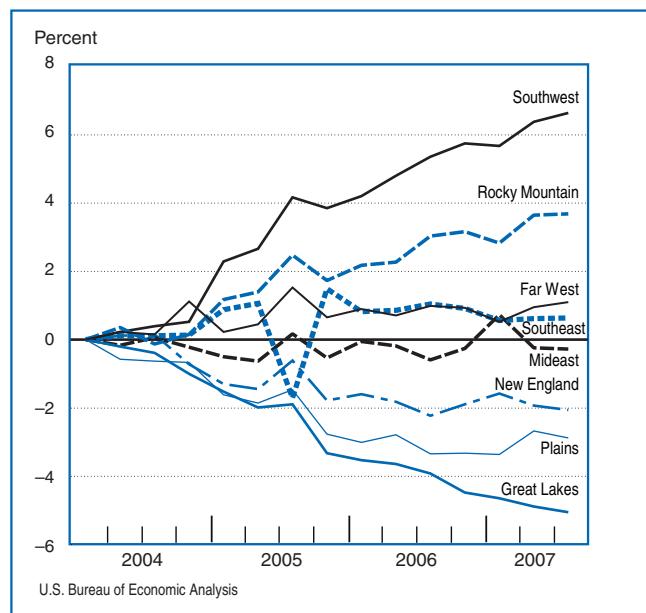
For example, when the states are grouped into the

Chart 2. Distribution of State Personal Income Growth Rates



eight regions defined by BEA, third-quarter personal income growth rates ranged from 1.2 percent to 1.7 percent. Over a longer period, however, BEA's regions display distinctly different growth rates (chart 3). Since

Chart 3. Cumulative Regional Personal Income Growth Relative to the Nation Since 2004



the beginning of 2004, personal income in the Great Lakes region has grown about 5 percent slower than that of the nation, while personal income in the Southwest region has grown about 7 percent faster. The growth in the Mideast region has roughly tracked national growth.

Transfer receipts and property income

Transfer receipts grew 1.5 percent in the third quarter after growing 0.4 percent in the second quarter. The estimates of transfer receipts now include the recently announced Alaska Permanent Fund dividend. The dividend for 2007, paid in the fourth quarter to residents of Alaska, is treated in state personal income as accruing in equal quarterly payments in the 2007 calendar year; therefore, changes in the amount of the dividend mainly affect the first-quarter personal income growth rate. Alaska's first-quarter personal income growth rate was revised up to 2.7 percent from 1.5 percent as a consequence. The 2007 dividend was \$1,654 per resident; in 2006, it was \$1,107.

Property income—dividends, interest, and rent—grew 2.4 percent in the third quarter after growing 2.9 percent in the second quarter.

Tables 1 and 2 follow.